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DEPARTMENT FOR WHA/CCA

E.O. 12958: DECL: 12/03/2017
TAGS: [ETRD](#) [ETTC](#) [PREL](#) [SP](#) [CU](#)
SUBJECT: SPAIN/CUBA: TITLE III OF LIBERTAD ACT

REF: A. STATE 158678
[B](#). 2006 MADRID 3008
[C](#). MADRID 1915

Classified By: Deputy Chief of Mission Hugo Llorens. Reasons 1.4 (b) and (d).

[1](#). (U) The information in this message is keyed to questions posed in reftel A, paragraph 5.

[2](#). (SBU) What is the nature of investments (and names, if known) that host country businesses have in Cuba? Information on Spanish foreign investment in Cuba is limited, in part because Spanish companies avoid publishing such data (ref B). Spain's Ministry of Economy and Finance reports that over the last 12 years, Spanish investment in Cuba amounted to roughly euros 4.7 billion (6 billion dollars). The biggest Spanish investments are in the tobacco and tourism sectors. Nine of the twelve foreign companies that

invest in the tourism sector in Cuba are Spanish. There follow below names of Spanish companies active in Cuba listed by sector.

Tourism: Globalia Hoteles, Sol Melia, NH Hoteles, Marsans, Iberostar Group, Barcelo, Occidental, and RIU.

Financial Sector: BBVA, Banco Sabadell, Caja de Ahorros del Mediterraneo, and Caja Madrid. (These institutions have small representative offices that presumably do mostly trade finance.)

Energy and other utilities: Repsol YPF, Aguas de Barcelona, Endesa, and Iberdrola

Tobacco: Altadis

Airlines: Iberia

Dairy: Penasanta, S.A.

Note: In terms of actual money invested, the overwhelming majority comes from the tourism companies and the tobacco firm, Altadis. Repsol does some exploration work in Cuba, and the other companies mentioned have representative offices but mostly perform services contracts.

[3](#). (U) Are there any bilateral trade agreements between host country and Cuba? Although not necessarily strictly "trade" treaties, the following agreements may be of interest.

Agreement between the Kingdom of Spain and the Republic of Cuba on Air Transportation, signed in Havana, April 22,

[1](#)2005. See Boletin Oficial de Espana (BOE - Spain's equivalent of the Federal Register), 06/09/2006 - Section 1. Agreement between the Kingdom of Spain and the Republic of Cuba on Mutual Customs Assistance, signed in Havana, August 8, 2001. See BOE 17/03/2003 - Section 1.

Agreement between the Kingdom of Spain and the Republic of Cuba on the Promotion and Protection of Investment, signed in Havana on May 27, 1994. See BOE 06/10/2000 - Section 1. Complementary Agreement on Tourism, signed in Havana on September 10, 1978. See BOE 02/03/1987 - Section 1.

Agreement between the Republic of Cuba and the Kingdom of Spain, signed in Madrid on October 3, 1985. See BOE 13/02/1986.

Note: Spain exported euros 630 million worth of goods and services to Cuba in 2006, up from euros 487 million in 2005. Spain imported goods and services from Cuba worth euros 139 million in 2006, only about two million more than in 2005. Spain exports mostly mechanical and electrical equipment, appliances, hotel equipment, construction equipment, automotive spare parts, chemicals and foodstuffs. Spain imports mostly tobacco, liquor and fresh fish from Cuba. The strong Spanish export performance in Cuba is somewhat surprising as Spain's official export credit agency (CESCE) does not guarantee export credits to Cuba. During 2007, there have been discussions about resuming export credit guarantees, but that would first require a debt agreement between Spain and Cuba. Thus far, Post is not aware such an agreement has been reached. However, on September 29, 2007 the Spanish government did announce it would resume foreign assistance to Cuba. There is an active Hispano-Cuban Business Committee that promotes trade between the two countries.

14. (SBU) Are there any exchange programs between the host country and Cuba, including but not limited to: scholarships for host country nationals to study in Cuba; Cuban-paid medical travel for host country nationals; and Cuban doctors working in host country? Post is not aware of any such exchange programs. Again, Spain signed an agreement in September to re-start cooperation with Cuba that had been suspended following EU sanctions imposed in 2003. The Joint Cuban/Spanish Development Cooperation Commission will establish the parameters for Spanish cooperation in Cuba, but it seems no aid will flow immediately from Spain to Cuba.

15. (C) Has the host country, in Post's opinion, worked to promote the advancement of human rights and democracy in Cuba? The Spanish Government shares our interest in a peaceful transition to democracy in Cuba but differs markedly from us on how to achieve this end. The Spanish favor engagement and are averse to confrontation with the GOC on human rights issues. Foreign Minister Moratinos has said publicly that the dialogue on human rights and the re-initiation of development assistance for Cuba followed "parallel paths." We continue to remind the Spanish that the engagement which they see as a catalyst for change can in fact be a lifeline for a moribund dictatorship, and that they should demand concrete progress from the GOC in exchange for engagement. --MFA officials have told us Spanish diplomats in Havana meet weekly with dissidents. --Referencing ongoing direct talks with the GOC on human rights, Secretary of State for Latin American Affairs Trinidad Jimenez defended Spain's policy of greater engagement during her September meeting in Madrid with Southcom Combatant Commander Admiral Stavridis. She suggested there were elements within the regime who favored change and explained Spain's approach is to maintain contact and try to be in a position to encourage positive change when the time comes. --When DCM questioned Spain's decision not to invite dissidents to the National Day celebration hosted October 12 by the Spanish Embassy in Havana, Spanish officials told him that Cuban law might be unjust in its treatment of the dissidents, but said that was not something Spain could change.

16. (SBU) Have there been any high-level diplomatic visits between Cuba and the host country in the past six months? Foreign Minister Moratinos visited Cuba in April 2007. Spanish Secretary of State for International Cooperation Leire Pajin traveled to Havana September 29 to sign the renewed assistance agreement (ref C). Her visit prompted editorials in support of increased engagement as well as calls for more public debate on Spain's policy. Though Spain excluded dissidents from its October 12 National Day celebration in Havana, Trinidad Jimenez met with Cuban

dissidents in Miami the week of November 26. The "Consensus Cubano" was reportedly satisfied and its spokesman was quoted in Spanish media as saying such dialogue with the GOS could contribute greatly to the transition to democracy in Cuba.

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